THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) Yes, Sir. While an export growth rate of 19.83% has been achieved during 2000-01, it would be too early to predict the export growth rate for the year 2001-02, as export performance *inter-alia* is influenced by international market conditions, export competitiveness of the domestic industry and that of the competitors in other countries etc. However, a number of measures have been undertaken to sustain the export growth which include reduction in transaction cost through decentralisations, simplification of procedures and various other measures as enumerated in the Exim Policy. Steps have also been taken to promote exports through multi-lateral and bilateral initiatives, identification of thrust sectors and focus regions. Special Economic Zones are being set up to further boost the exports.

**Achievement of industrial growth rate**

190. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the industrial production growth rate has slowed down during 2000-2001 in comparison to previous fiscal year;

(b) if so, the factors responsible for slow progress in industrial production;

(c) whether the growth in the industrial production rate would be achieved as targeted during the current year; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) Yes, Sir. The overall growth industrial production during 2000-01 was 5.0% which is lower in comparison to 6.7% growth achieved during 1999-2000.

(b) The following factors were *inter-alia* responsible for slow growth in industrial production:

- Persistence of Infrastructure bottlenecks and failure to attract private sector investment in infrastructure projects.
- Slow down in general investment climate.

- Economic slowdown in U.S. and other economies of the world.
- Comparatively lower agricultural production in past two years resulting in lower aggregate demand and reduced consumption.
- Poor stock market performance has weakened consumer and business confidence.

(c) and (d) The Planning Commission has set an annual target of 8.2% for industrial sector during the Ninth Five Year Plan. So far a growth rate of 2.6% has been achieved during April-May 2001. The achievement of the targeted growth rate will depend upon several factors such as favourable monsoon, upturn in worldwide slowdown, increase in private and public investments in infrastructure, and boost in consumer as well as business confidence.

**Decline in industrial growth**

191. SHRI KRISHNA KUMAR BIRLA:
SHRI P. PRABHAKAR REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the industrial output growth in the country has considerably dropped during the last few months;

(b) if so, the details thereof stating the areas where the industrial output growth has shown decline;

(c) the reasons attributed to the slump in the industrial output growth;

(d) its overall impact on the country's economy; and

(e) the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Overall industrial growth has shown a declining trend during the last few months in comparison to the growth rates achieved during the